

## Corporate Credit Rating

New  Update

**Sector:** Holding

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R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB+	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB+	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign *	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on August 18, 2022

## AG Anadolu Grubu Holding A.Ş.

JCR Eurasia Rating has evaluated "AG Anadolu Grubu Holding A.Ş." in the very high investment-grade category, affirmed the Long-Term National Issuer Credit Rating as 'AA+ (tr)' and assigned the Short-Term National Issuer Credit Rating as 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been revised from 'BBB-' to 'BB+' with 'Stable' outlooks.

**AG Anadolu Grubu Holding A.Ş.** (hereinafter referred to as 'AGHOL' or 'the Group' or 'the Company'), was founded by Yazıcı and Özilhan families in 1950. The Group maintains its activities mainly under beer, soft-drinks, retail, automotive, energy, agriculture and stationery sectors together with social organizations in 19 countries with 64 subsidiaries, 5 joint-ventures, 2 associates, 86 production facilities, 6 R&D centers and 62,829 employees as of September 30, 2022.

With over 70 years of activity history, the Group has established beneficial and collaborative partnerships with internationally well-known domestic and foreign institutions thanks to know-how and network presence. It acts in accordance with its mission of being a multinational and entrepreneurial group through its partnerships with leading brands and companies of the world such as AB InBev, The Coca-Cola Company, Faber-Castell, Isuzu, Kia, Honda, Honda Marine, Kohler, Johns Hopkins Medicine. As of September 30, 2022, the major shareholder of the Group is **AG Sınai Yatırım ve Yönetim A.Ş.** holding 48.65% of the shares and 51.35% of the shares are traded on the Borsa Istanbul (BIST) under the ticker symbol **AGHOL**.

Key rating drivers, as strengths and constraints, are provided below.

### Strengths

- Maintaining revenue and EBITDA generation capacity,
- Diversified income stream thanks to geographical prevalence,
- Sustainable cash flow metrics underpinned by sound operational performance,
- Low level of financial leverage indicators,
- Having alternative funding opportunities, including debt issuance through tailored financial instruments, easing liquidity management of the Group,
- Advantages of owning subsidiaries with high market shares and partnerships with worldwide recognized powerful brands,
- High level of compliance regarding corporate governance and sustainability implementations.

### Constraints

- Despite strong hedging mechanism, exposure to short FX position through foreign currency dominated long-term borrowings,
- Potential sectoral concentration risk due to having FMCG concentrated investment portfolio,
- Global recession and geopolitical risks stemming from the Russia-Ukraine tension increasing uncertainty and monetary tightening across the globe deteriorating growth projections.

Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been affirmed as 'AA+ (tr)'. The Group's diversified investment portfolio, strong revenue and EBITDA generation capacity, asset quality, equity level, profitability and liquidity indicators and risk management implementations have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Group's financial structure, attainability of the Company's budgeted projections, the possible impacts of the Russia-Ukraine War on the global and Türkiye's economy and its effects on the Company's activities will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators in national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.

